

Case Study

Urgent Care Project Completed

A large, not-for-profit regional health system was looking to expand high-quality and convenient outpatient care options to patients through an urgent care strategy.

Situation

Urgent care centers are a convenient access point into the health system. Demand for urgent care services has increased significantly over the past several years as patients demand accessible, convenient health services at a lower cost of care compared to emergency rooms. However, many markets are saturated with urgent care centers, and the ability to develop a successful urgent care platform takes time, capital, and a focused management team.

Solution

The health system had conversations with multiple potential partners for urgent care services. VMG Health assisted in the initial evaluation of potential partners, including a review of post-transaction, contractual terms; potential purchase price; and geography. The health system selected a strategic partner that had an established platform of existing locations in a region where the health system also has a reputable presence within the market. The two entities jointly retained VMG Health to perform a fair market value analysis of the strategic partner's existing urgent care platform to support the health system's investment.

Additionally, VMG Health assisted with the valuation of several post-transaction, contractual arrangements, including a management services agreement where the strategic partner will continue to manage the locations and a royalty agreement related to the post-transaction branding of the locations.

Success

The parties signed a definitive agreement in which the health system invested in the existing urgent care platform to establish a new joint venture for urgent care services. In addition to the purchase agreement, the parties signed a royalty rate agreement and a management services agreement. The strategic partner benefits from the brand and scale of the health system. The health system has achieved additional, convenient access points of care through a large platform of established urgent care locations within their market.

Services Provided

- Business Valuation
- Management Services Agreement Valuation
- Health System Trade Name Valuation
- Transaction Consulting

Does your organization have a valuation, strategy, or compliance need? Reach out today for a complimentary assessment from a VMG Health expert.

Contact

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Client Results

92%

Client Satisfaction
Rating

About VMG Health

VMG Health is a leading, national, full-service healthcare strategy and transaction advisory firm providing solutions exclusively for the healthcare industry with a long-standing reputation of excellence in client service. Whether you need assistance with traditional transactions or emerging physician compensation models based on value and performance, VMG Health provides the expertise you can rely upon.

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